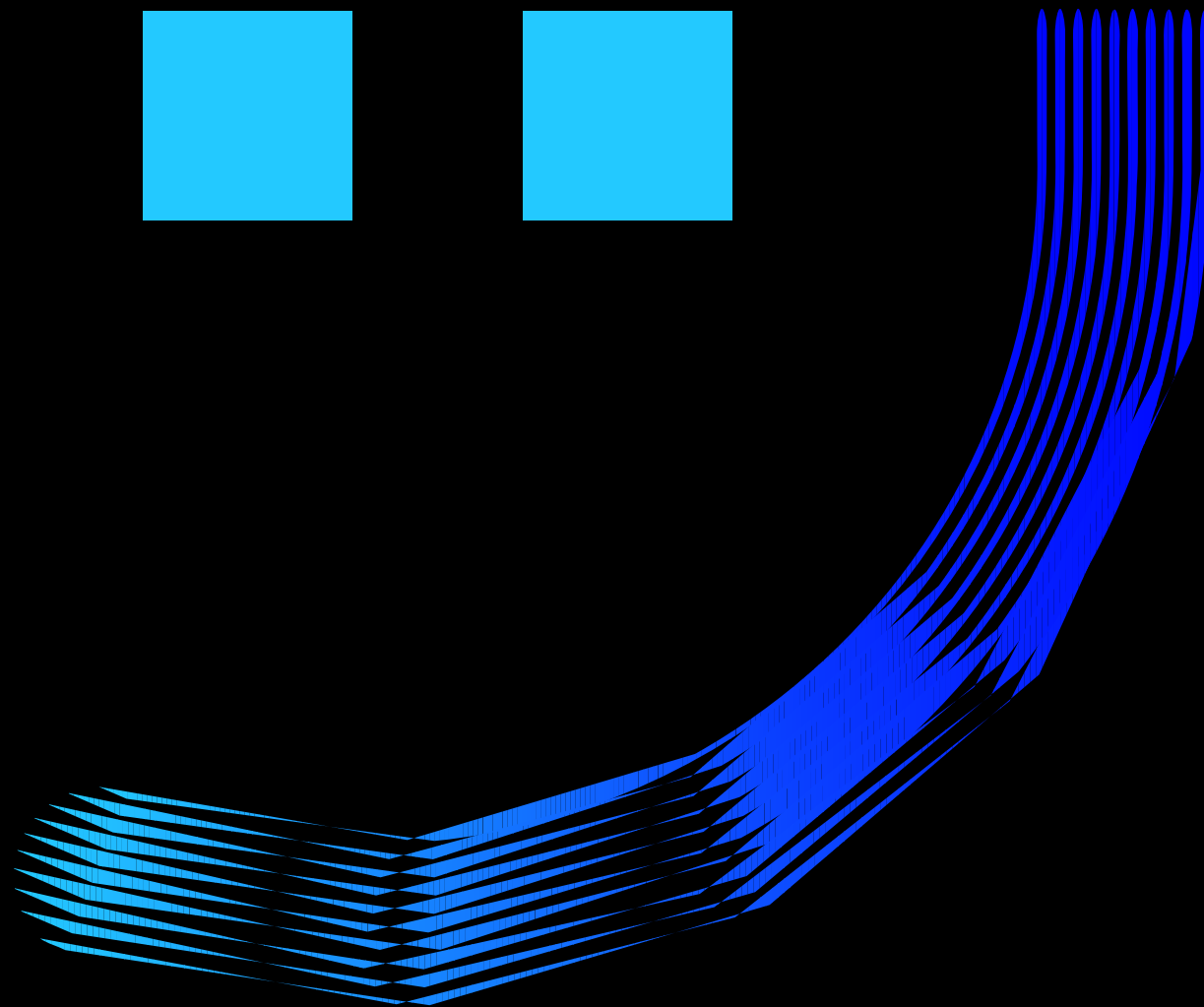




Q2 2024 Earnings Presentation

(NASDAQ: NICE)



Disclaimer

Forward Looking Statements Disclaimer

This presentation contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements may be identified by words such as “believe,” “expect,” “seek,” “may,” “will,” “intend,” “should,” “project,” “anticipate,” “plan,” and similar expressions. Forward-looking statements are based on the current beliefs, expectations and assumptions of the Company’s management regarding the future of the Company’s business, performance, future plans and strategies, projections, anticipated events and trends, the economic environment, and other future conditions. Examples of forward-looking statements include guidance regarding the Company’s revenue and earnings and the growth of our cloud, analytics and artificial intelligence business.

Forward looking statements are inherently subject to significant uncertainties, contingencies, and risks, including economic, competitive, and other factors, which are difficult to predict and many of which are beyond the control of management. The Company cautions that these statements are not guarantees of future performance, and investors should not place undue reliance on them. There are or will be important known and unknown factors and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. These factors, include, but are not limited to, risks associated with changes in economic and business conditions, competition, successful execution of the Company’s growth strategy, success and growth of the Company’s cloud Software-as-a-Service business, difficulties in making additional acquisitions or effectively integrating acquired operations, products, technologies and personnel, the Company’s dependency on third-party cloud computing platform providers, hosting facilities and service partners, rapidly changing technology, cyber security attacks or other security breaches against the Company, privacy concerns and legislation impacting the Company’s business, changes in currency exchange rates and interest rates, the effects of additional tax liabilities resulting from our global operations, the effect of unexpected events or geo-political conditions, such as the impact of conflicts in the Middle East, that may disrupt our business and the global economy and various other factors and uncertainties discussed in our filings with the U.S. Securities and Exchange Commission (the “SEC”).

You are encouraged to carefully review the section entitled “Risk Factors” in our latest Annual Report on Form 20-F and our other filings with the SEC for additional information regarding these and other factors and uncertainties that could affect our future performance. The forward-looking statements contained in this presentation speak only as of the date hereof, and the Company undertakes no obligation to update or revise them, whether as a result of new information, future developments or otherwise, except as required by law.

Explanation of Non-GAAP measures

Non-GAAP financial measures are included in this presentation. Non-GAAP financial measures consist of GAAP financial measures adjusted to exclude share-based compensation, amortization of acquired intangible assets, acquisition related and other related expenses, amortization of discount on debt and loss from extinguishment of debt, and the tax effect of the Non-GAAP adjustments.

The Company believes that these Non-GAAP financial measures, used in conjunction with the corresponding GAAP measures, provide investors with useful supplemental information about the financial performance of our business. We believe Non-GAAP financial measures are useful to investors as a measure of the ongoing performance of our business. Our management regularly uses our supplemental Non-GAAP financial measures internally to understand, manage and evaluate our business and to make financial, strategic and operating decisions. These Non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Our Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. These Non-GAAP financial measures may differ materially from the Non-GAAP financial measures used by other companies. Reconciliation between results on a GAAP and Non-GAAP basis is provided in a table in the earnings press release and in the appendix in this presentation. The Company provides guidance only on a Non-GAAP basis. A reconciliation of guidance from a GAAP to Non-GAAP basis is not available due to the unpredictability and uncertainty associated with future events that would be reported in GAAP results and would require adjustments between GAAP and Non-GAAP financial measures, including the impact of future possible business acquisitions. Accordingly, a reconciliation of the guidance based on Non-GAAP financial measures to corresponding GAAP financial measures for future periods is not available without unreasonable effort.



NICE

THE Cloud Leader Powering AI in Three Large Specialized Markets

*Financial figures for last 12 months ended June 30, 2024.

This is
NICE

**CUSTOMER
EXPERIENCE**



CREATING
Extraordinary
Customer
Experiences

**FINANCIAL CRIME
& COMPLIANCE**



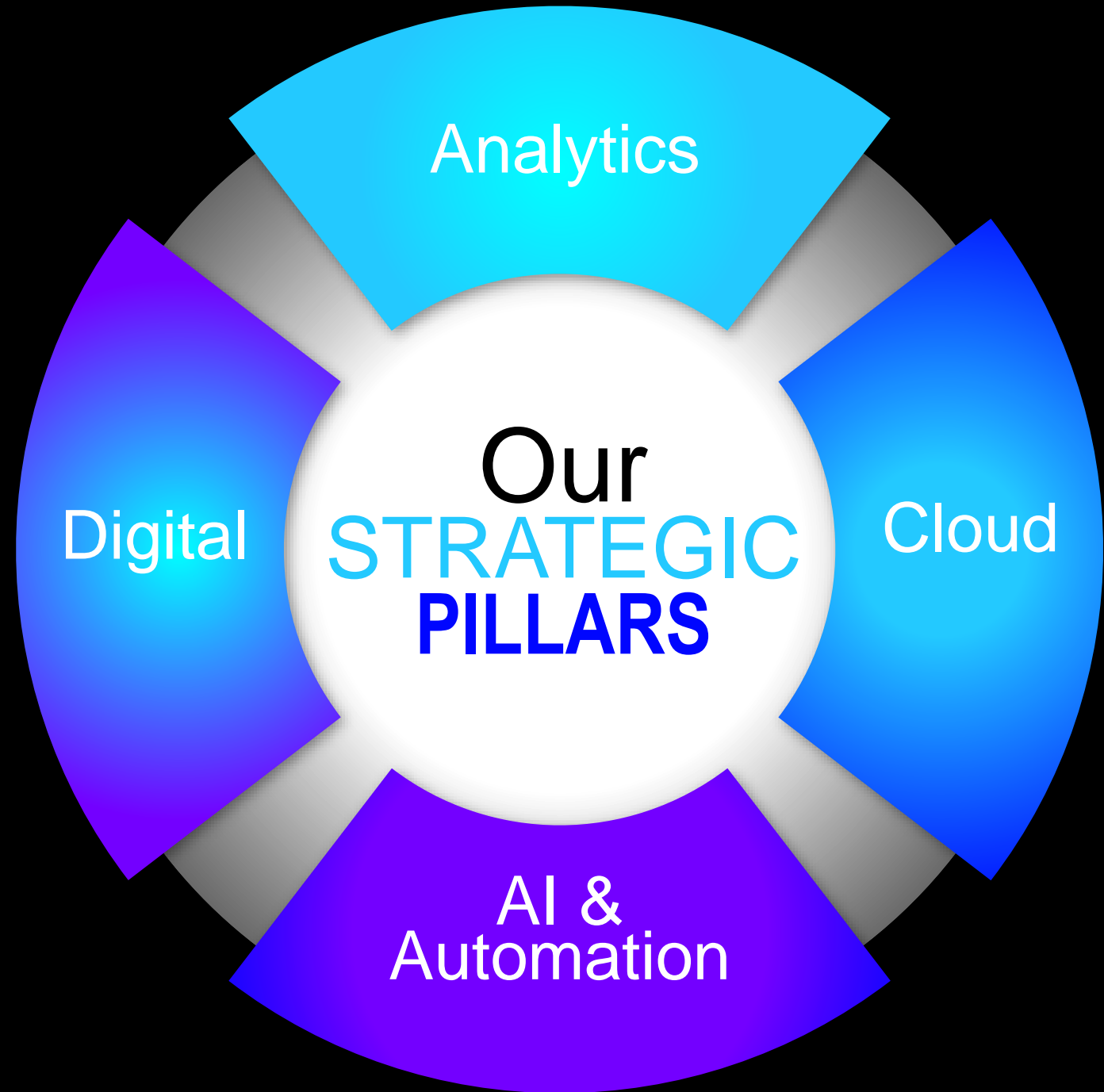
OUTSMARTING
Financial Crime
with Intelligent
Solutions

**PUBLIC SAFETY
& JUSTICE**



DRIVING
Digital Policing
Transformation

Transforming
EXPERIENCES to be
EXTRAORDINARY
and TRUSTED



FINANCIAL OVERVIEW

Quarterly Results

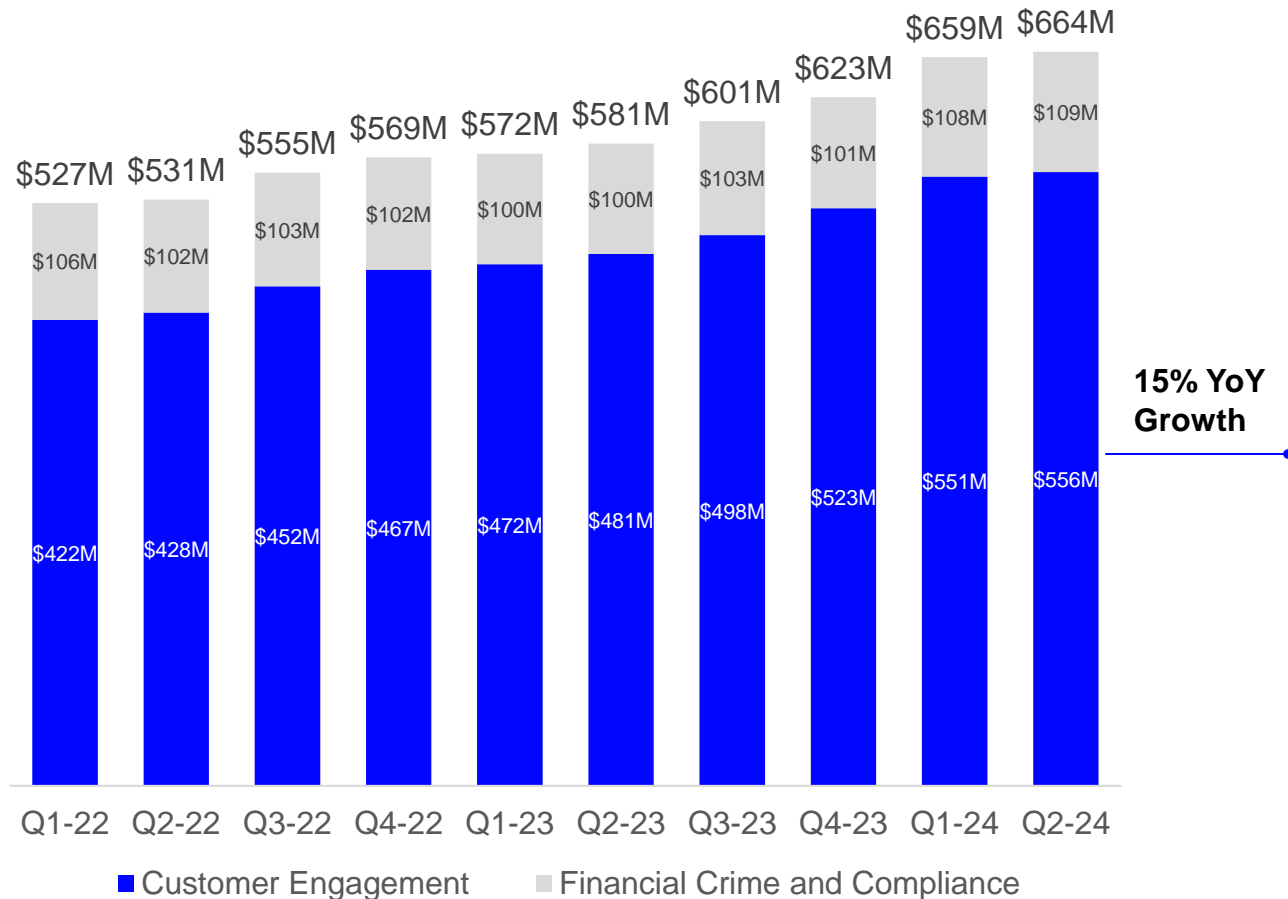


Q2-24 Financial Highlights

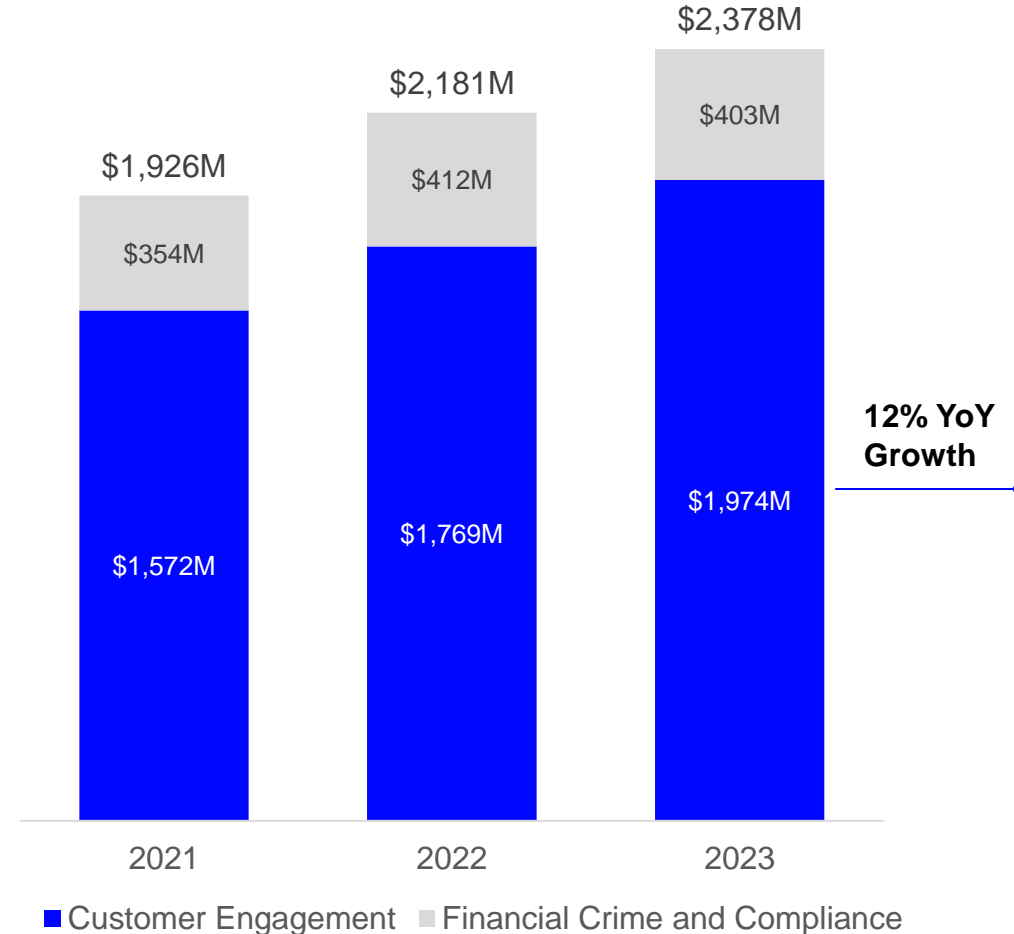
Q2 2024 Results	Quarterly Results	Increase (Decrease) Y/Y
Total Revenue	\$664M	14%
Cloud Revenue	\$482M	26%
Non-GAAP Operating Income	\$202M	19%
Non-GAAP Operating Margin	30.4%	120 bps
Non-GAAP EPS	\$2.64	24%
Cash from Operations	\$170M	160%

Revenue Breakdown by Business Segment

Quarterly Revenue

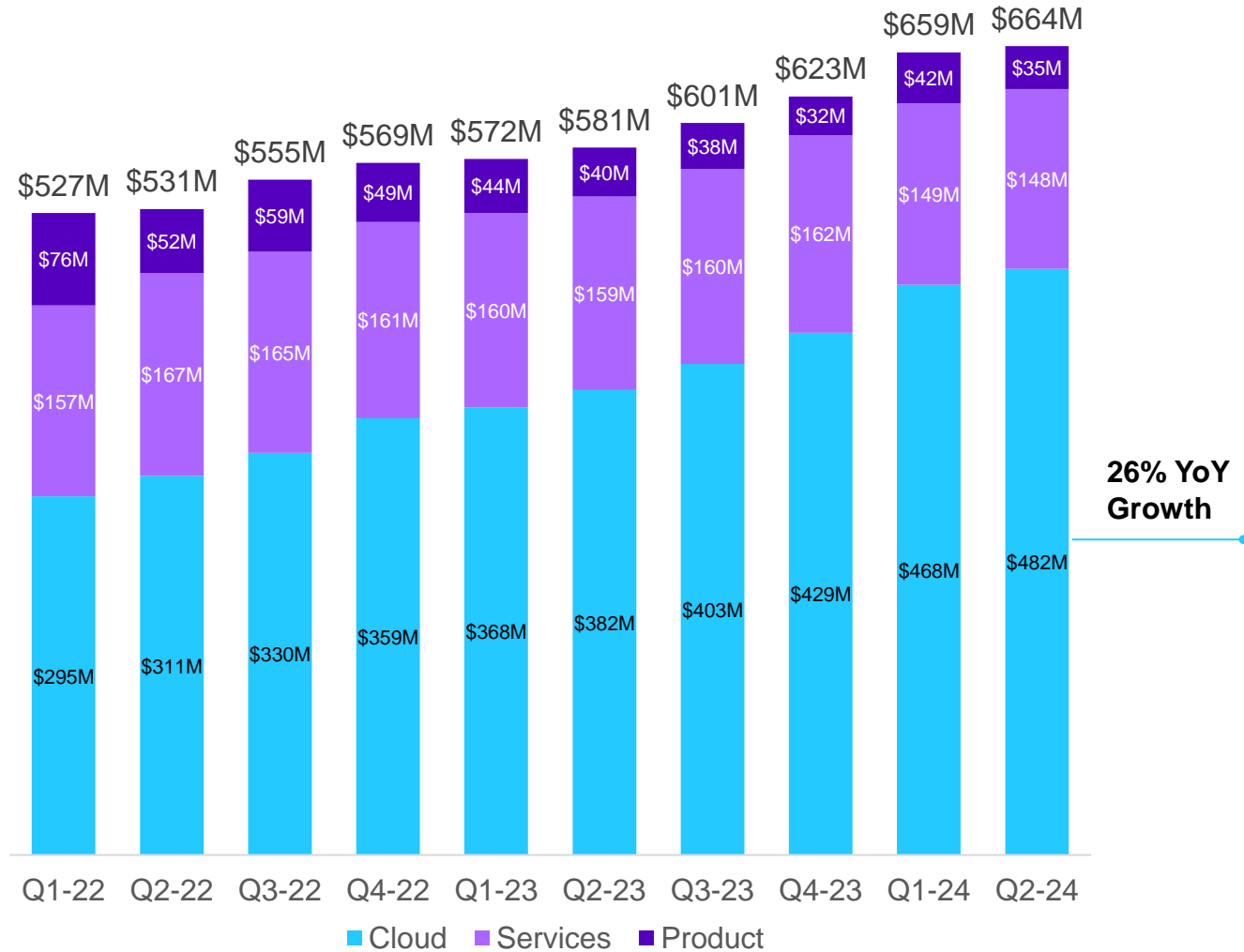


Annual Revenue

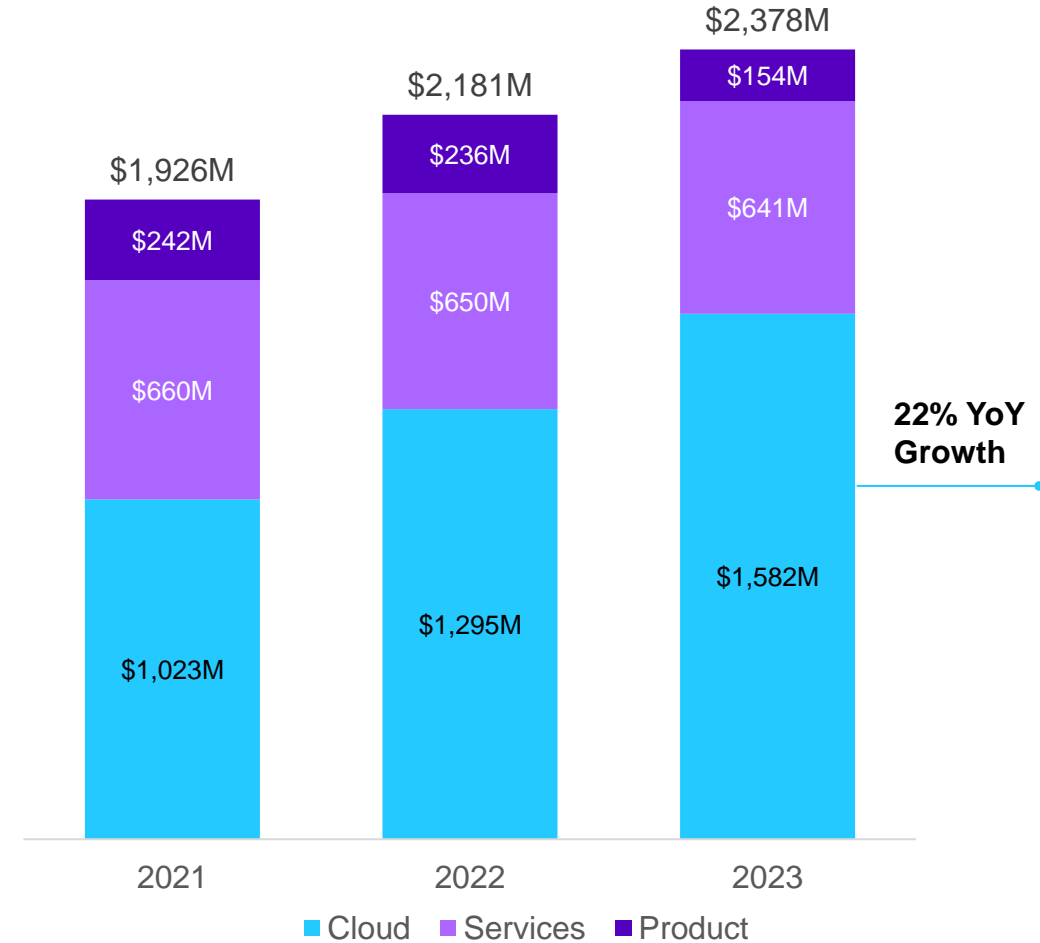


Revenue Breakdown by Business Model

Quarterly Revenue

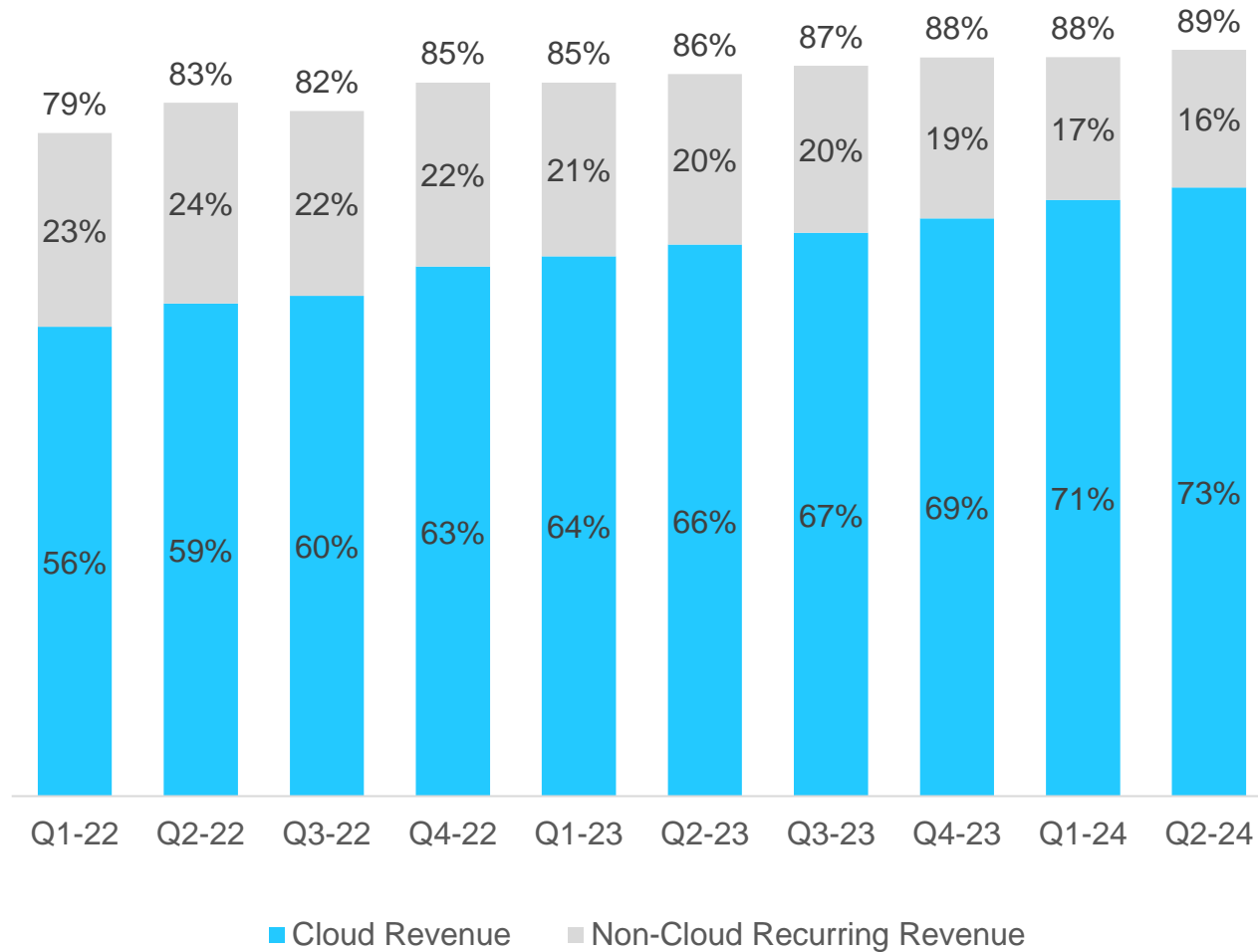


Annual Revenue

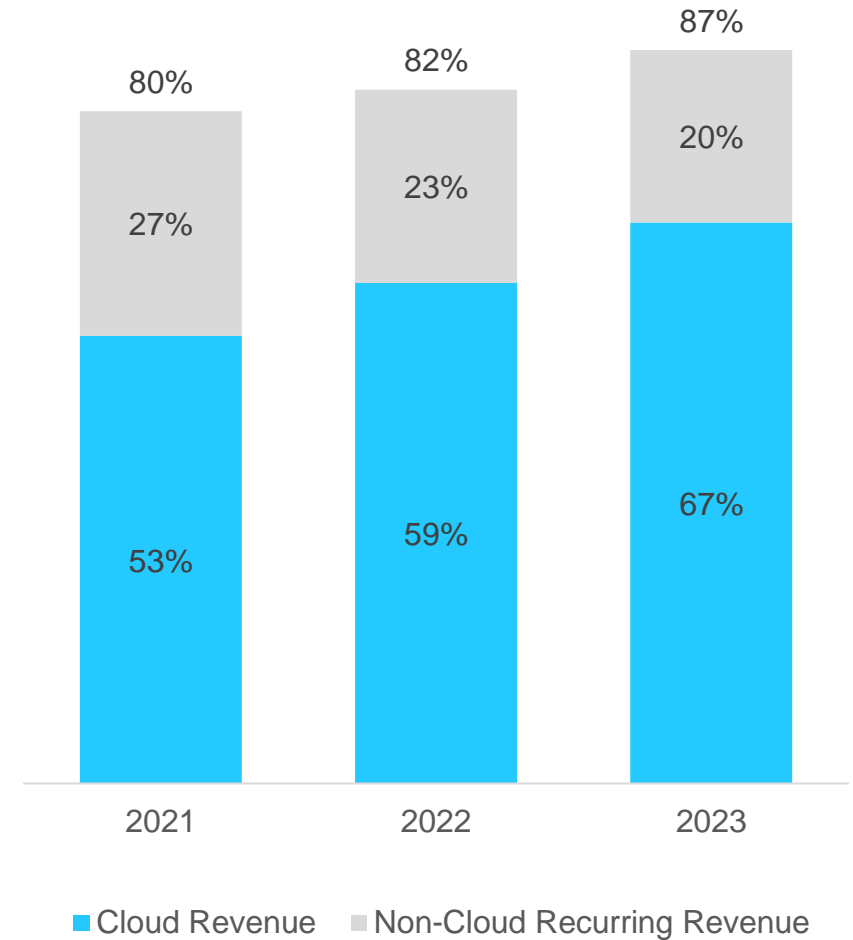


Recurring Revenue as a Percent of Total Revenue

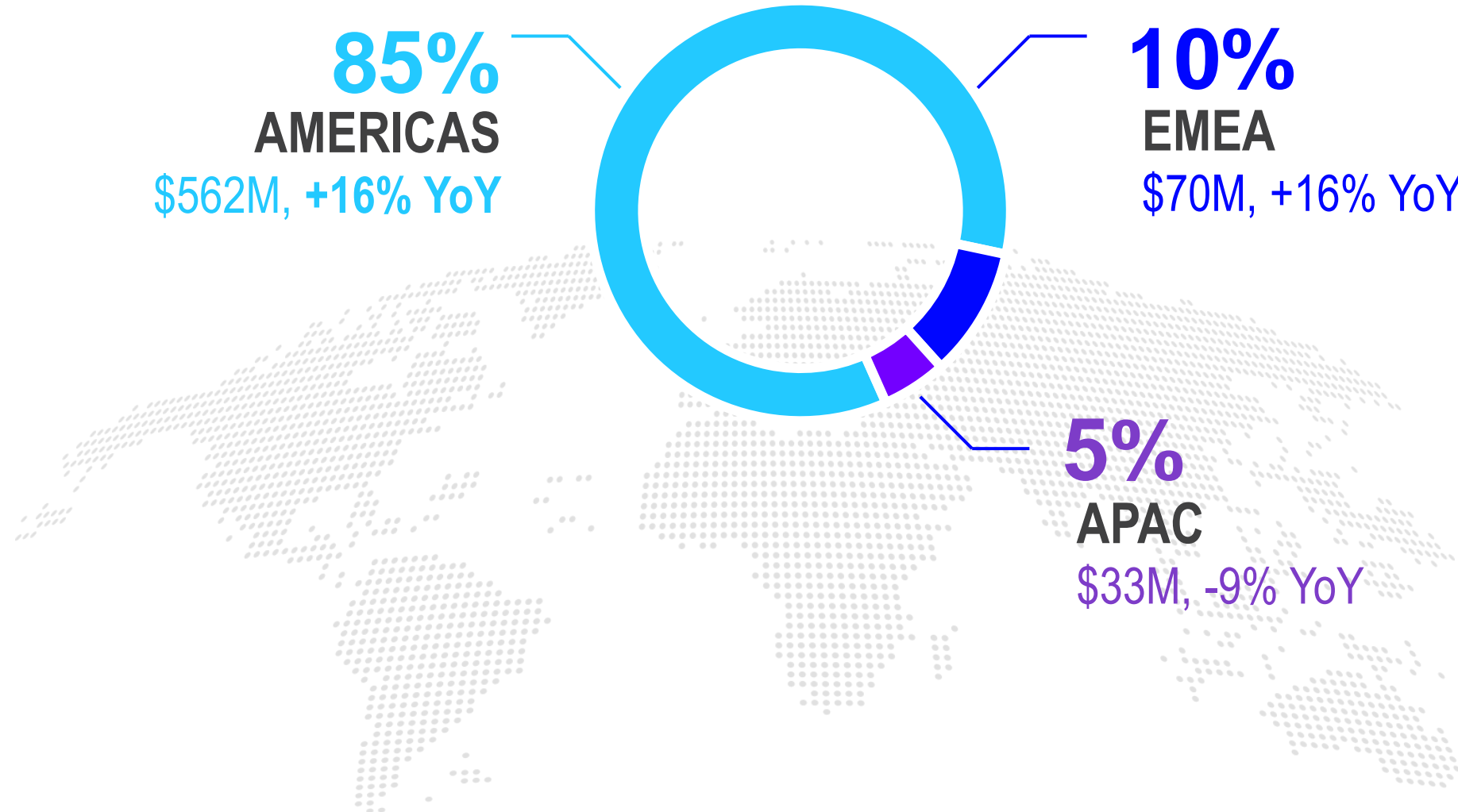
Quarterly



Annual

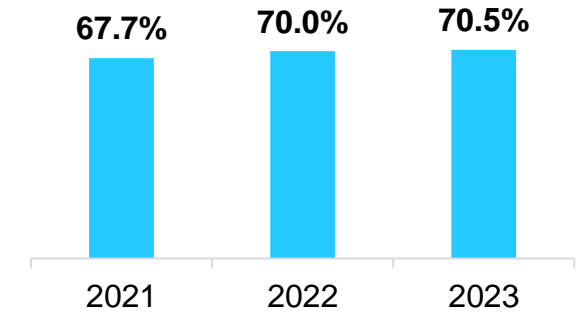
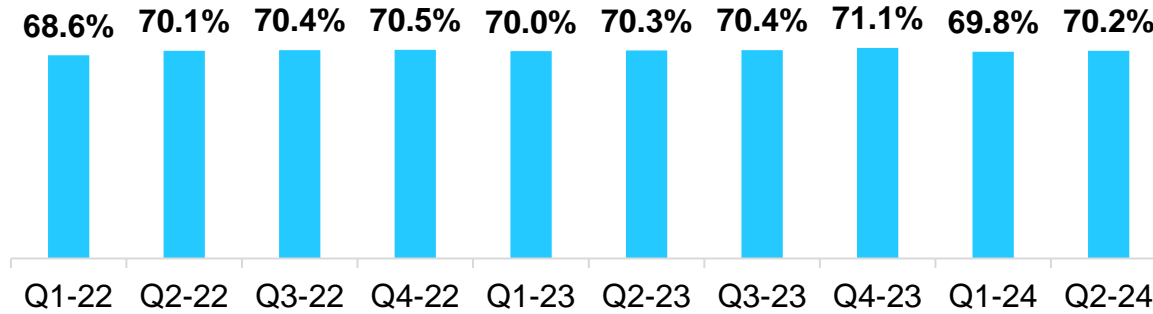


Revenue Breakdown by Geographic Region, Q2 2024

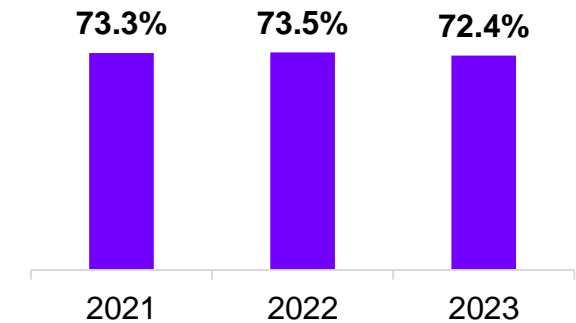
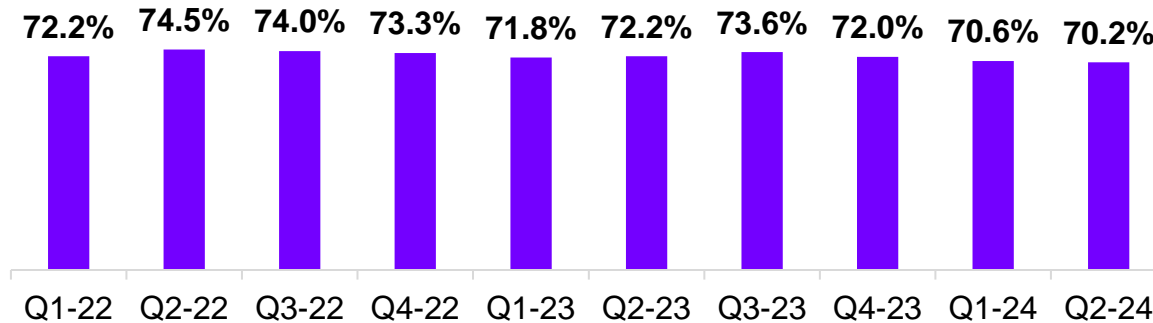


Healthy Gross Margins (Non-GAAP)

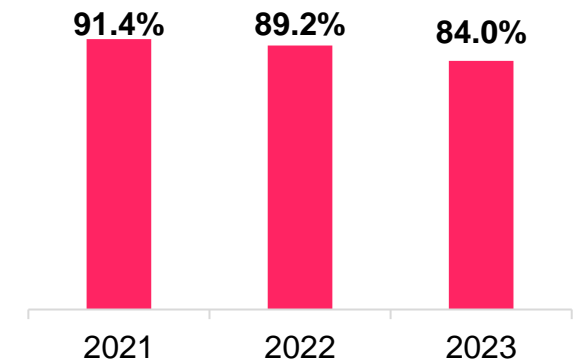
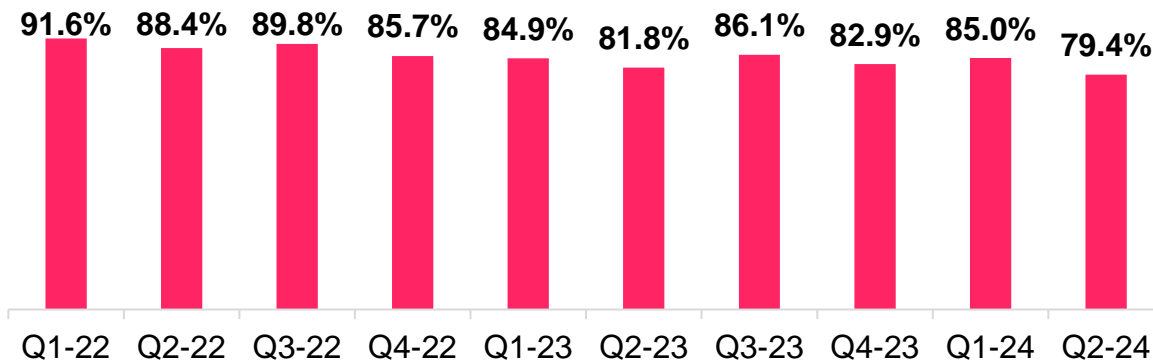
Cloud GM



Services GM

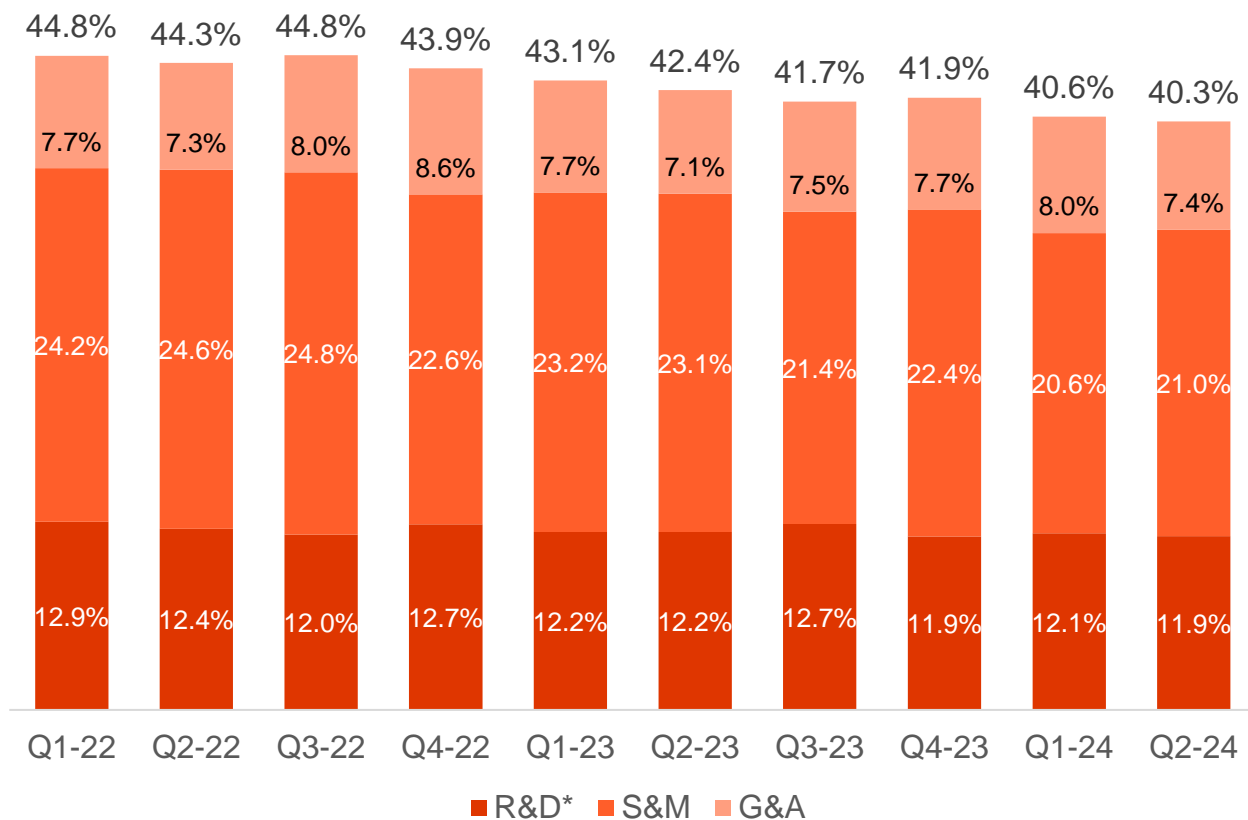


Product GM

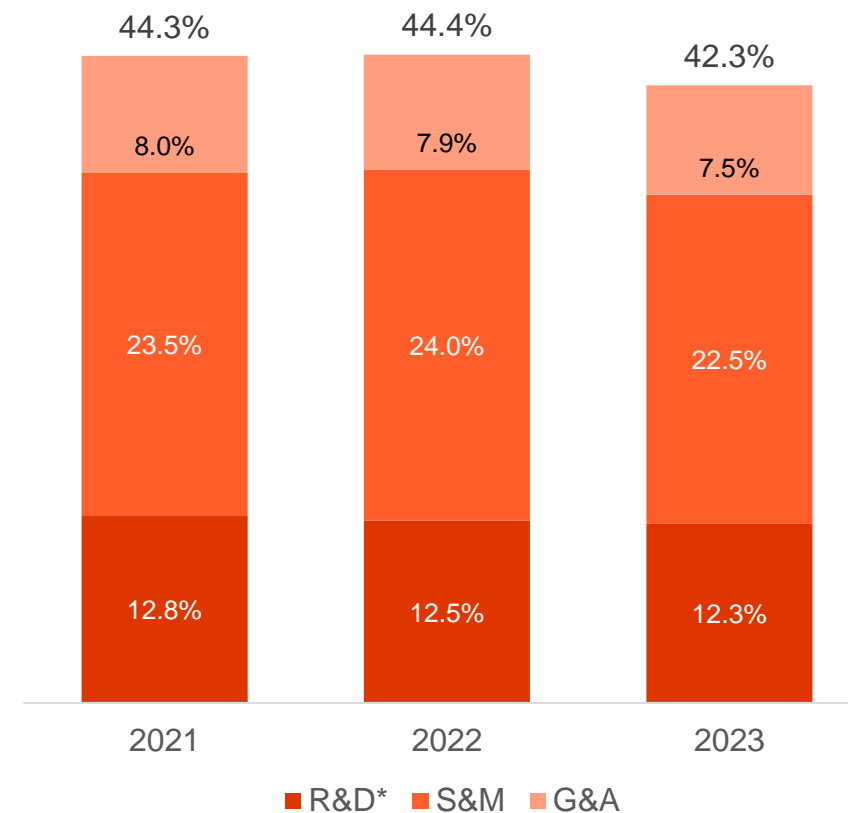


Non-GAAP Operating Expenses as a Percent of Total Revenue

Quarterly



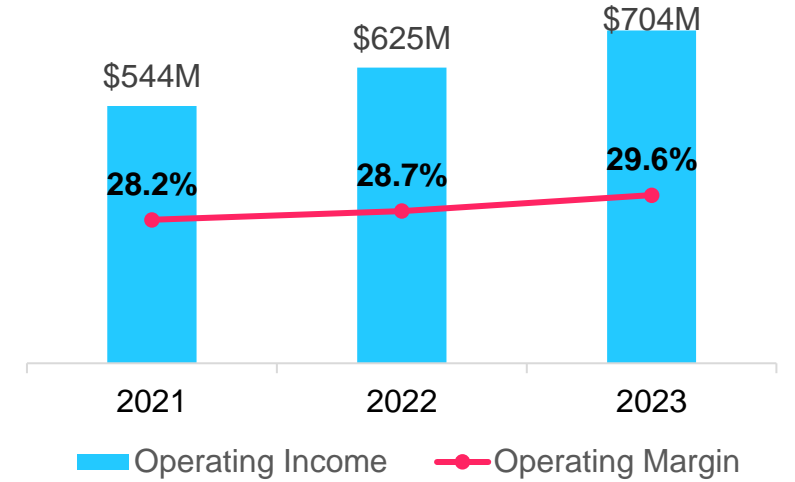
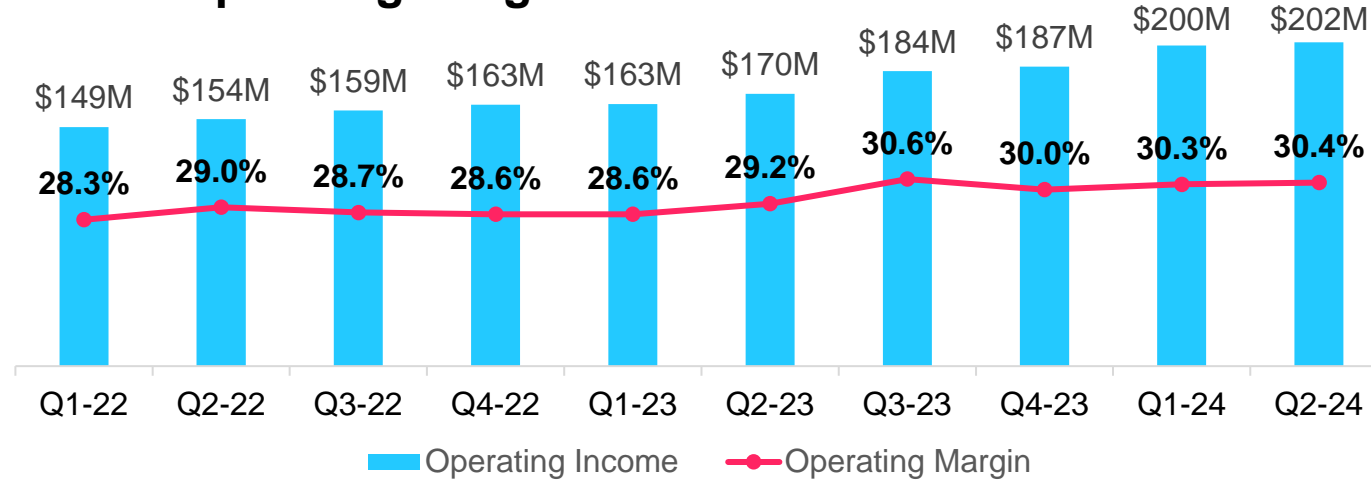
Annual



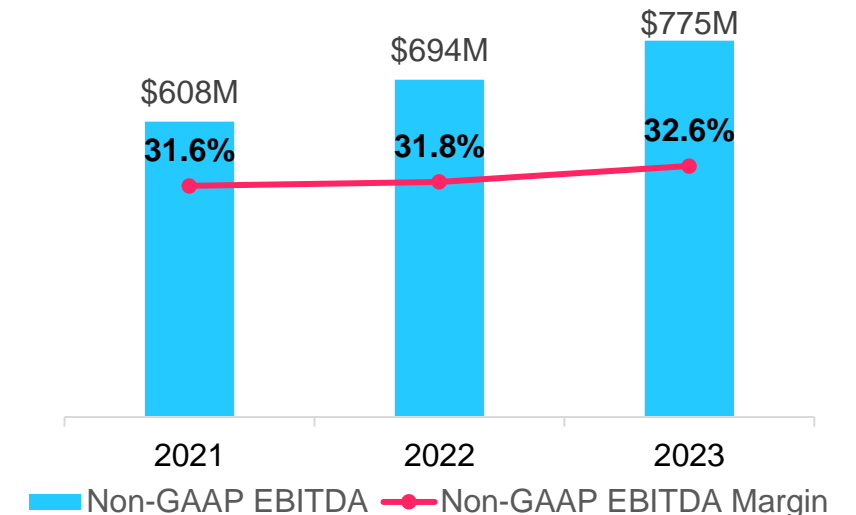
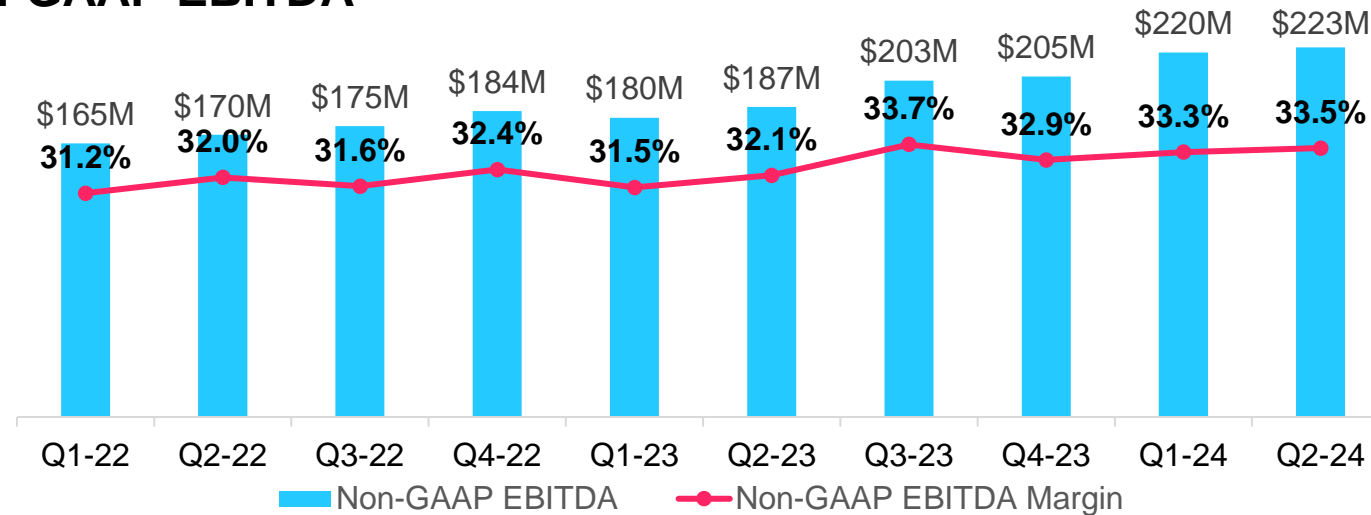
* R&D net of capitalization

Strong Operating Leverage Evident in Growing Profitability

Non-GAAP Operating Margin

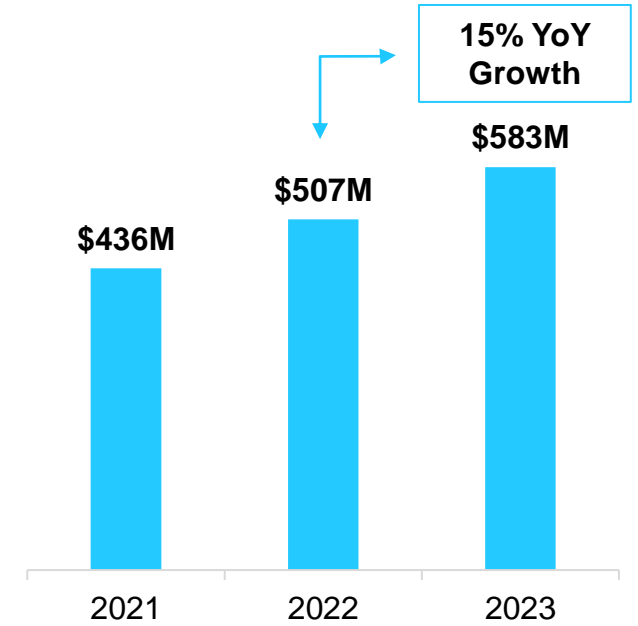
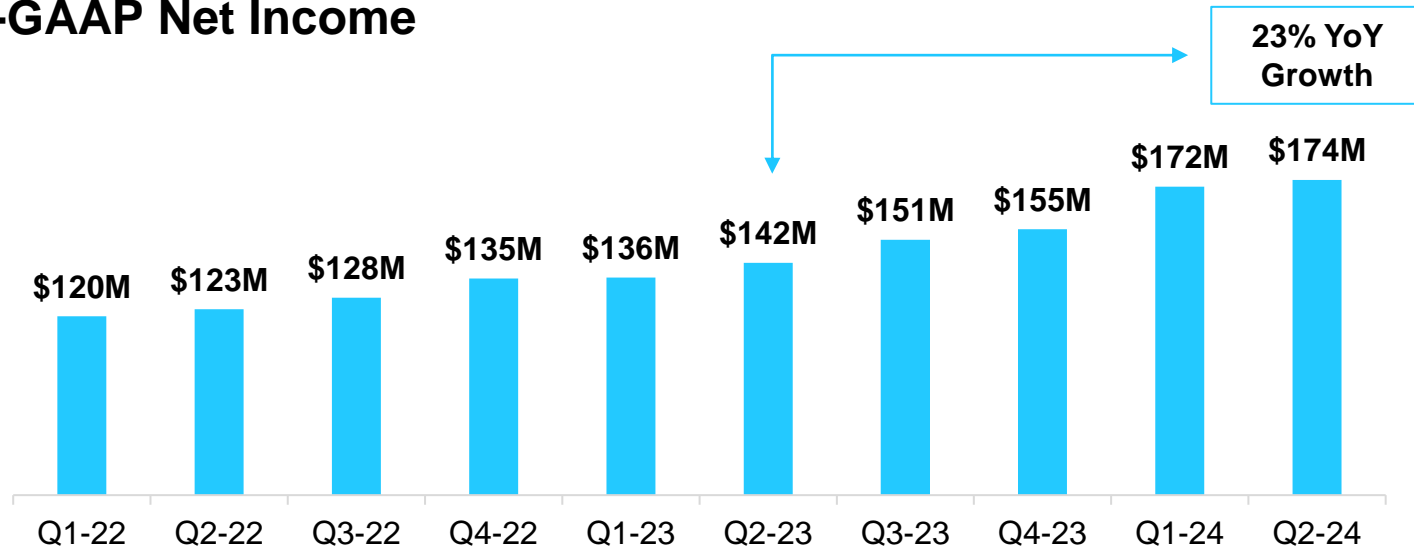


Non-GAAP EBITDA

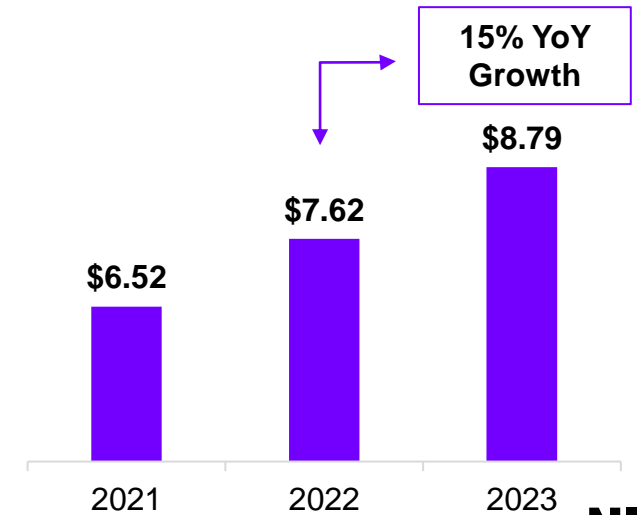
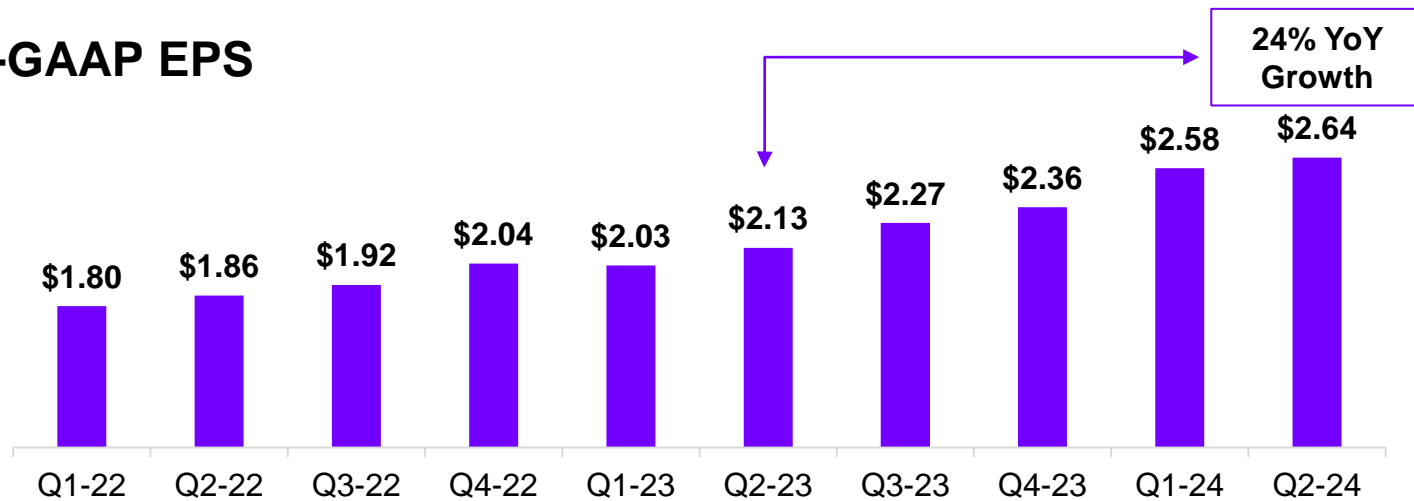


Non-GAAP Net Income and EPS Reflect NICE's Financial Strength

Non-GAAP Net Income

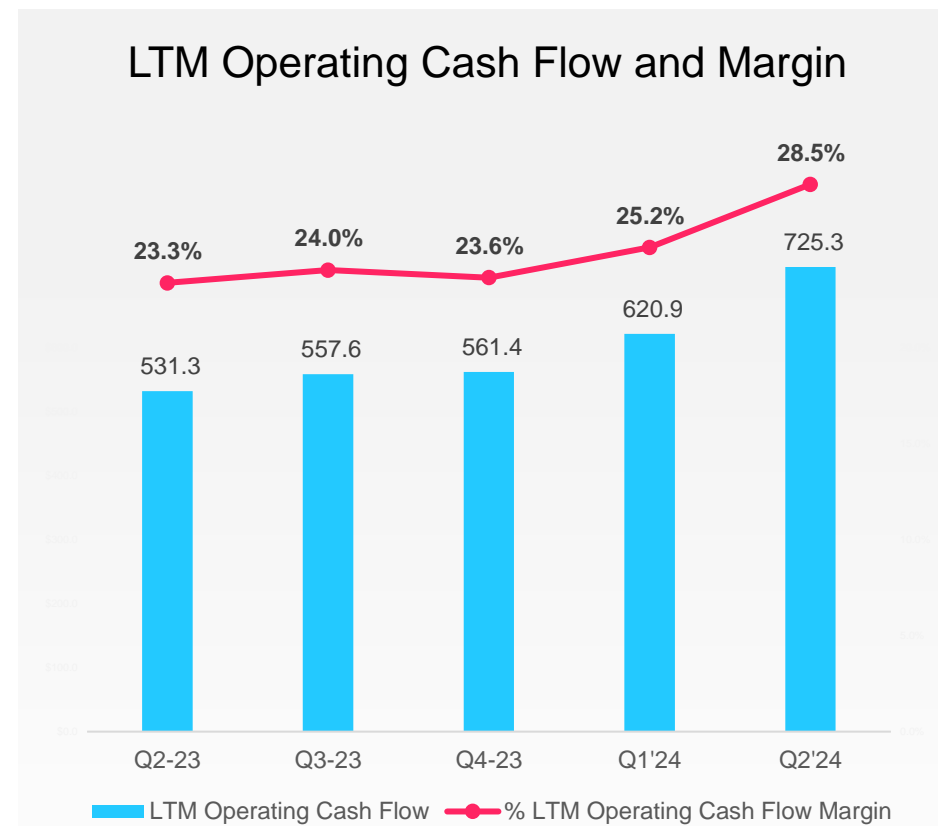


Non-GAAP EPS



Growing Cash From Operations and Free Cash Flow

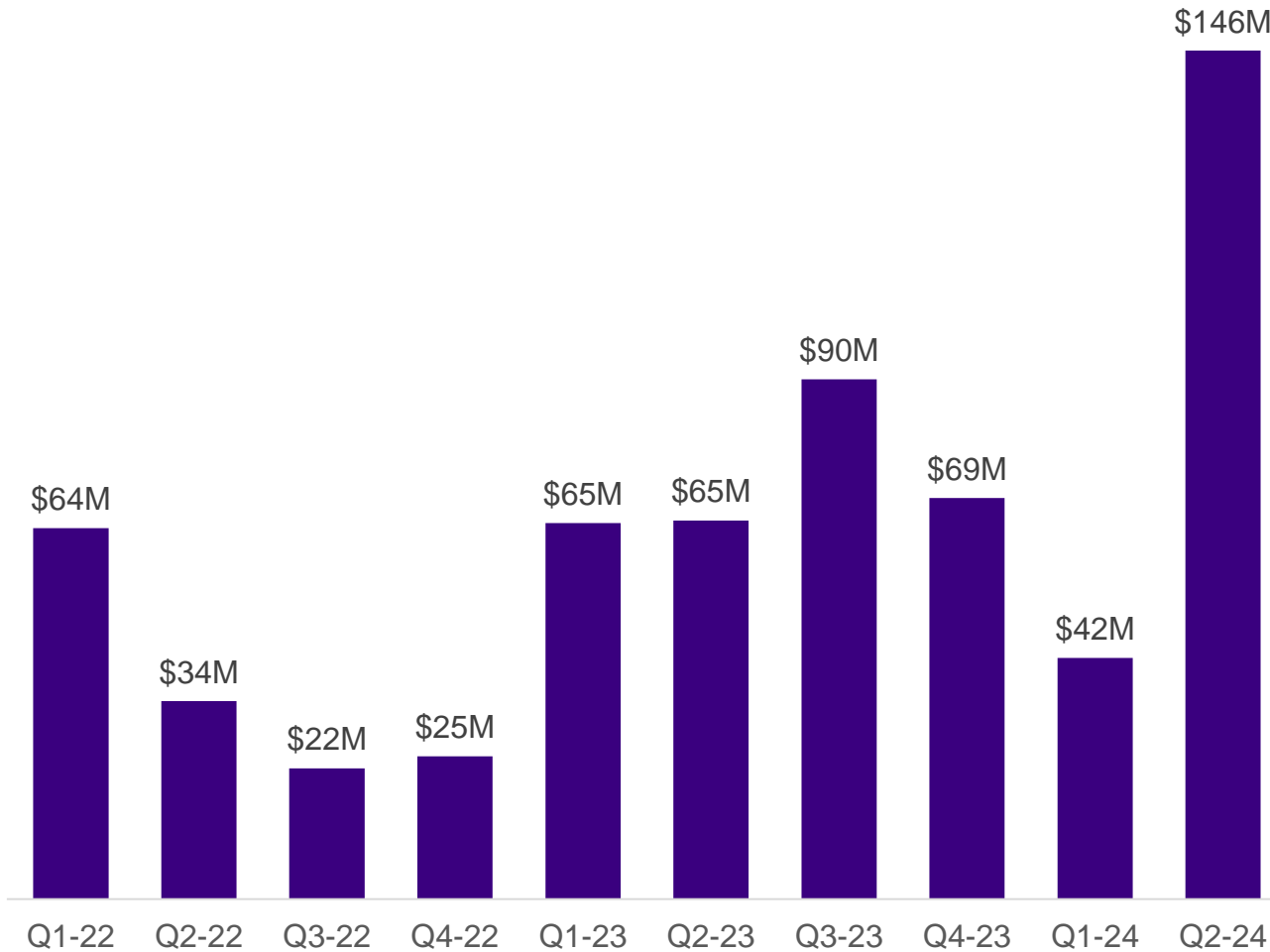
\$M	LTM Q2-24	LTM Q2-23
Operating Cash Flow	725.3	531.3
Capital expenditure of property and equipment	(28.6)	(34.6)
Capitalization of software development	(57.5)	(54.9)
Free cash flow	639.2	441.8
Free cash flow margin	25%	19%
Cash conversion rate *	1.0	0.8



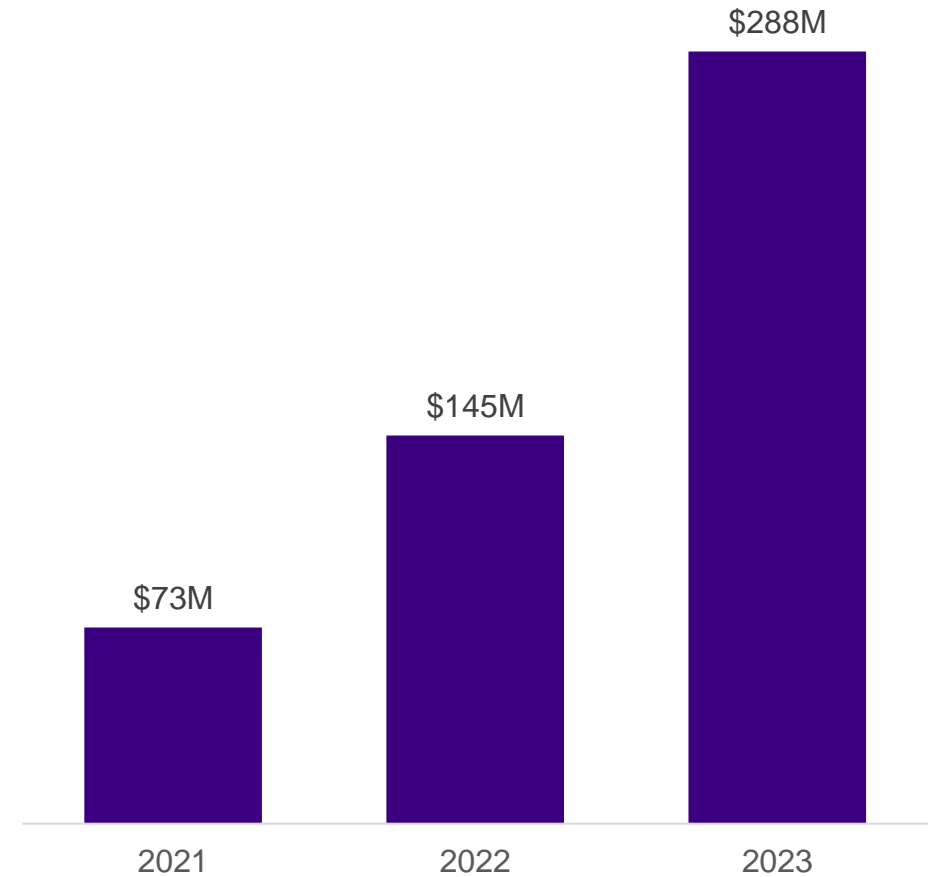
* Cash Conversion Rate = (Free Cash Flow / Non-GAAP Net Income)

Increasing Share Repurchases

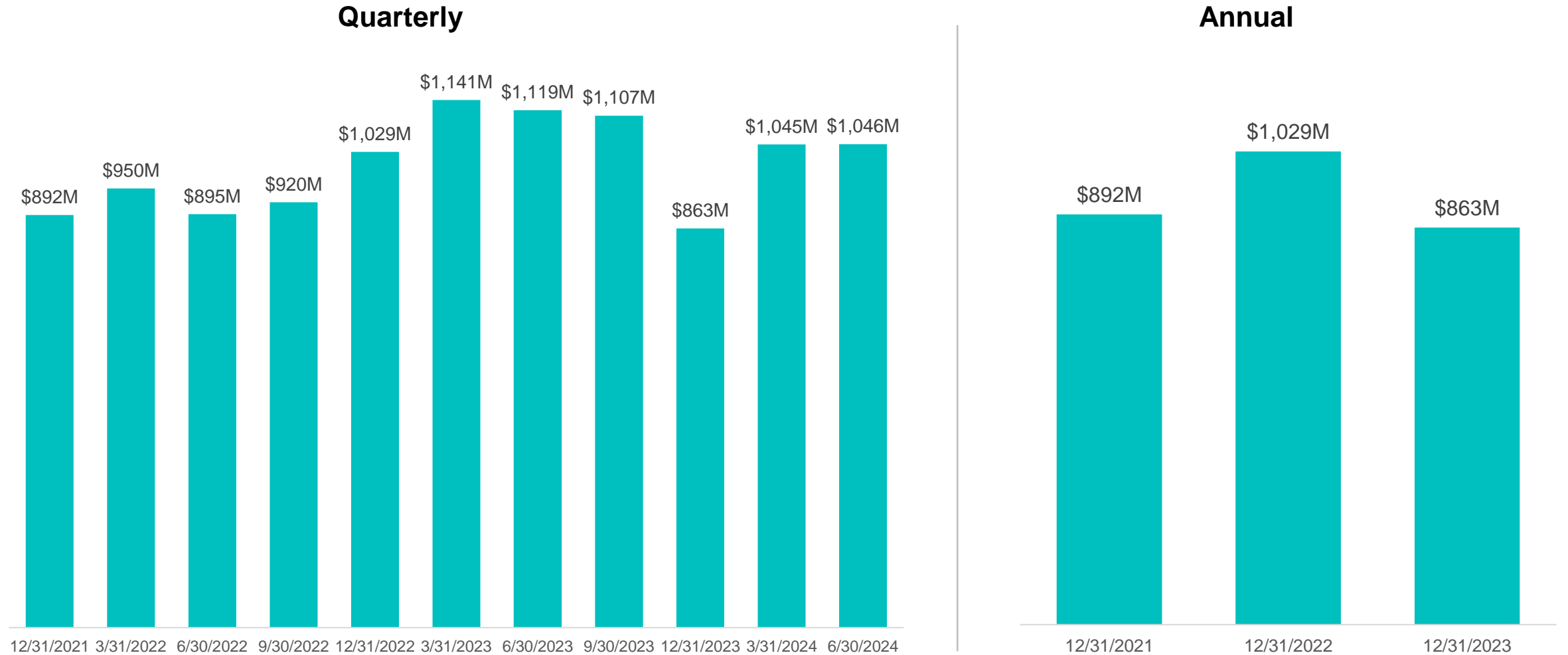
Quarterly



Annual



Industry Leading Strong Net Cash Position*



* Net cash and investments = cash, cash equivalents and short-term investments less total debt net of debt hedge option asset
 Decline in Net Cash position on 12/31/2023 due to financing of LiveVox acquisition which closed in December 2023.

Outlook* (Non-GAAP)

	Q3 2024	FY 2024
Revenue (\$M)	676 – 686	2,715 – 2,735
Revenue Growth YoY at Midpoint	13%	15%
EPS (\$)	2.62 – 2.72	10.60 – 10.80
EPS Growth YoY at Midpoint	18%	22%

*The outlook is provided as of Aug. 15, 2024. There is no guarantee that the Company will change or update these figures in this presentation should a need arise in the future to update the outlook. This is in addition to the forward-looking statements disclaimer at the beginning of the presentation.

Thank You

NICE 😊

Appendix



GAAP and Non-GAAP Income Statement

USD in thousands (except EPS)

	Quarter ended June 30,		Year to date June 30,	
	2024	2023	2024	2023
GAAP revenues	\$ 664,400	\$ 581,113	\$ 1,323,709	\$ 1,152,972
Non-GAAP revenues	\$ 664,400	\$ 581,113	\$ 1,323,709	\$ 1,152,972
GAAP cost of revenue	\$ 224,783	\$ 189,713	\$ 447,452	\$ 376,309
Amortization of acquired intangible assets on cost of cloud	(24,133)	(19,396)	(49,500)	(38,765)
Amortization of acquired intangible assets on cost of product	(150)	(257)	(410)	(506)
Cost of cloud revenue adjustment (1,2)	(2,852)	(2,253)	(5,854)	(4,200)
Cost of services revenue adjustment (1)	(2,617)	(2,864)	(4,995)	(5,748)
Cost of product revenue adjustment (1)	(30)	(140)	(60)	(278)
Non-GAAP cost of revenue	\$ 195,001	\$ 164,803	\$ 386,633	\$ 326,812
GAAP gross profit	\$ 439,617	\$ 391,400	\$ 876,257	\$ 776,663
Gross profit adjustments	29,782	24,910	60,819	49,497
Non-GAAP gross profit	\$ 469,399	\$ 416,310	\$ 937,076	\$ 826,160
GAAP operating expenses	\$ 310,793	\$ 285,971	\$ 625,994	\$ 577,727
Research and development (1,2)	(7,484)	(7,783)	(15,627)	(16,181)
Sales and marketing (1,2)	(13,210)	(13,055)	(27,382)	(24,157)
General and administrative (1,2)	(17,429)	(14,059)	(37,260)	(35,355)
Amortization of acquired intangible assets	(4,972)	(4,428)	(10,211)	(8,943)
Valuation adjustment on acquired deferred commission	8	36	23	76
Non-GAAP operating expenses	\$ 267,706	\$ 246,682	\$ 535,537	\$ 493,167
GAAP financial and other income, net	\$ (15,645)	\$ (9,350)	\$ (29,654)	\$ (18,071)
Amortization of discount and loss of extinguishment on debt	(425)	(1,166)	(974)	(2,320)
Change in fair value of contingent consideration	(35)	(578)	(79)	(578)
Non-GAAP financial and other income, net	\$ (16,105)	\$ (11,094)	\$ (30,707)	\$ (20,969)

GAAP and Non-GAAP Income Statement (cont.)

USD in thousands (except EPS)

	Quarter ended June 30,		Year to date June 30,	
	2024	2023	2024	2023
GAAP taxes on income	\$ 28,684	\$ 27,424	\$ 57,759	\$ 52,711
Tax adjustments re non-GAAP adjustments	14,963	11,793	28,779	24,101
Non-GAAP taxes on income	<u>\$ 43,647</u>	<u>\$ 39,217</u>	<u>\$ 86,538</u>	<u>\$ 76,812</u>
GAAP net income	\$ 115,785	\$ 87,355	\$ 222,158	\$ 164,296
Amortization of acquired intangible assets	29,255	24,081	60,121	48,214
Valuation adjustment on acquired deferred commission	(8)	(36)	(23)	(76)
Share-based compensation (1)	43,622	40,154	89,266	85,919
Acquisition related and other expenses (2)	-	-	1,912	-
Amortization of discount and loss of extinguishment on debt	425	1,166	974	2,320
Change in fair value of contingent consideration	35	578	79	578
Tax adjustments re non-GAAP adjustments	(14,963)	(11,793)	(28,779)	(24,101)
Non-GAAP net income	<u>\$ 174,151</u>	<u>\$ 141,505</u>	<u>\$ 345,708</u>	<u>\$ 277,150</u>
GAAP diluted earnings per share	<u>\$ 1.76</u>	<u>\$ 1.31</u>	<u>\$ 3.36</u>	<u>\$ 2.47</u>
Non-GAAP diluted earnings per share	<u>\$ 2.64</u>	<u>\$ 2.13</u>	<u>\$ 5.22</u>	<u>\$ 4.16</u>
Shares used in computing GAAP diluted earnings per share	65,856	66,435	66,192	66,548
Shares used in computing non-GAAP diluted earnings per share	65,856	66,435	66,192	66,548

GAAP and Non-GAAP Income Statement (cont.)

USD in thousands

(1) Share-based compensation

	Quarter ended June 30,		Year to date June 30,	
	2024	2023	2024	2023
Cost of cloud revenue	\$ 2,852	\$ 2,253	\$ 5,792	\$ 4,200
Cost of services revenue	2,617	2,864	4,995	5,748
Cost of product revenue	30	140	60	278
Research and development	7,484	7,783	15,297	16,181
Sales and marketing	13,210	13,055	26,739	24,157
General and administrative	17,429	14,059	36,383	35,355
	<u>\$ 43,622</u>	<u>\$ 40,154</u>	<u>\$ 89,266</u>	<u>\$ 85,919</u>

(2) Acquisition related and other expenses

	Quarter ended June 30,		Year to date June 30,	
	2024	2023	2024	2023
Cost of cloud revenue	\$ -	\$ -	\$ 62	\$ -
Research and development	-	-	330	-
Sales and marketing	-	-	643	-
General and administrative	-	-	877	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,912</u>	<u>\$ -</u>

Non-GAAP EBITDA Reconciliation

USD in thousands

	Quarter ended		Year to date	
	June 30,		June 30,	
	2024	2023	2024	2023
	Unaudited	Unaudited	Unaudited	Unaudited
GAAP net income	\$ 115,785	\$ 87,355	\$ 222,158	\$ 164,296
Non-GAAP adjustments:				
Depreciation and amortization	51,520	42,033	103,280	83,879
Share-based compensation	42,226	39,314	86,630	84,275
Financial and other expense/ (income), net	(15,645)	(9,350)	(29,654)	(18,071)
Acquisition related and other expenses	-	-	1,912	-
Valuation adjustment on acquired deferred commission	(8)	(36)	(23)	(76)
Taxes on income	28,684	27,424	57,759	52,711
Non-GAAP EBITDA	<u>\$ 222,562</u>	<u>\$ 186,740</u>	<u>\$ 442,062</u>	<u>\$ 367,014</u>

Free Cash Flow Reconciliation

USD in thousands

	Quarter ended June 30,		Year to date June 30,	
	2024 Unaudited	2023 Unaudited	2024 Unaudited	2023 Unaudited
Net cash provided by operating activities	\$ 169,668	\$ 65,254	\$ 424,158	\$ 260,325
Purchase of property and equipment	(6,455)	(4,513)	(16,976)	(17,619)
Capitalization of internal use software costs	(15,238)	(14,491)	(31,174)	(28,627)
Free Cash Flow (a)	<u>\$ 147,975</u>	<u>\$ 46,250</u>	<u>\$ 376,008</u>	<u>\$ 214,079</u>

(a) Free cash flow from continuing operations is defined as operating cash flows from continuing operations less capital expenditures of the continuing operations and less capitalization of internal use software costs.

Condensed Consolidated Balance Sheet

USD in thousands

	June 30, 2024	December 31, 2023		June 30, 2024	December 31, 2023
	Unaudited	Audited		Unaudited	Audited
ASSETS			LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash and cash equivalents	\$ 739,556	\$ 511,795	Trade payables	\$ 73,129	\$ 66,036
Short-term investments	764,042	896,044	Deferred revenues and advances from customers	342,405	302,649
Trade receivables	580,101	585,154	Current maturities of operating leases	13,057	13,747
Debt hedge option	-	121,922	Debt	-	209,229
Prepaid expenses and other current assets	216,908	197,967	Accrued expenses and other liabilities	509,779	528,660
Total current assets	2,300,607	2,312,882	Total current liabilities	938,370	1,120,321
LONG-TERM ASSETS:			LONG-TERM LIABILITIES:		
Property and equipment, net	181,689	174,414	Deferred revenues and advances from customers	60,839	52,458
Deferred tax assets	190,471	178,971	Operating leases	96,861	102,909
Other intangible assets, net	245,299	305,501	Deferred tax liabilities	8,057	8,596
Operating lease right-of-use assets	98,957	104,565	Debt	457,930	457,081
Goodwill	1,820,746	1,821,969	Other long-term liabilities	22,900	21,769
Prepaid expenses and other long-term assets	214,050	219,332	Total long-term liabilities	646,587	642,813
Total long-term assets	2,751,212	2,804,752	SHAREHOLDERS' EQUITY		
TOTAL ASSETS	\$ 5,051,819	\$ 5,117,634	Nice Ltd's equity	3,455,172	3,341,132
			Non-controlling interests	11,690	13,368
			Total shareholders' equity	3,466,862	3,354,500
			TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 5,051,819	\$ 5,117,634